



STATE OF MICHIGAN

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Republican-Led Senate and House Taking Action to Prevent Cuts in K-12 Education

*Moving General Fund money to School Aid Fund continues commitment
to keep education funding a top priority for the Legislature*

Lansing - The state Senate and House will take action next week to prevent cuts in K-12 education despite a projected \$119 million shortfall in fiscal year 2005.

A revenue estimating conference held today at the request of Senate Majority Leader Ken Sikkema shows a need to reduce anticipated revenues. According to the Senate Fiscal Agency, this reduction will result in a \$347 million deficit in the General Fund and a \$119 million deficit in the School Aid Fund.

"Educating kids is a top priority," said Sikkema, R-Wyoming. "We anticipated this might be a problem, which is one of the reasons I called for the early revenue estimating conference and why we passed legislation earlier this week to address the expected shortfall."

On Thursday, the Senate passed Senate Bill 1193, which can be used as a vehicle to transfer \$119 million from the General Fund to the School Aid Fund next week.

House Speaker Rick Johnson, R-LeRoy, said he plans to take the bill up on Tuesday.

"We are ready to take action so schools will not see a pro-rata reduction in their funding," Johnson said. "There are some tough decisions that will need to be made about spending priorities, but protecting school funding is a no-brainer."

The shift will mean the General Fund will have a \$466 million deficit for fiscal year 2005, which will be handled next year by addressing the government's priorities.

"We will not raise taxes to address this deficit," Sikkema said. "This is an opportunity for us to fundamentally restructure government and get a handle on our spending priorities. We're out of duct tape; we're out of Band-Aids; we're out of gimmicks."

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